



## HIGHER EDUCATION AFFORDABILITY ACT DISCUSSION DRAFT CGS COMMENTS AND RECOMMENDATIONS

The Council of Graduate Schools (CGS) appreciates this opportunity to provide comments and recommendations regarding the Higher Education Affordability Act discussion draft, released in June by the Chairman of the Senate Health, Education, Labor and Pensions Committee. CGS membership includes over 500 universities in the United States. Its member institutions annually award more than 92 percent of all U.S. doctorates and over 78 percent of all U.S. master's degrees. As the sole membership organization that represents master's and doctoral education, these comments and recommendations focus mainly on provisions that impact graduate education and students pursuing these degrees.

### OVERALL COMMENTS

CGS appreciates that the discussion draft is moving toward more transparency and accountability, not only as a way to highlight the value of a postsecondary education, but to provide insight into ways that colleges and universities can improve and continue to be the best in the world. An important strength of our system of postsecondary education is that it encompasses institutions of higher education with different purposes, missions and programs, and with diverse populations of students, both undergraduate and graduate. This strength needs to be enhanced, not limited by a one-size-fits-all approach.

All students, undergraduate and graduate, can benefit from and make better decisions about how to finance their education, if they are provided with clear information and appropriate and timely counseling. CGS is pleased to see that the discussion draft includes all borrowers of direct loans, not just undergraduate students, in the additional language it proposes for Section 485, *Institutional and Financial Assistance Information for Students*, in current law.

In principle CGS welcomes the proposed simplification of loan repayment options, including uniform eligibility criteria and repayment periods. However, CGS also believes that there should be more than a single repayment option offered to borrowers. They should be able to select a repayment option that most suits their education, financial obligations, and their life and career goals.

In the last few years federal support for graduate students has been eroded through the loss of the in-school interest subsidy and the increased distinction between undergraduate and graduate students with respect to Stafford loans. These actions have increased the cost of education for master's and doctoral degree students, particularly for low-income and underrepresented minority students. At the same time, a great deal of attention has been given to the growth in and causes of increasing student

debt. From that perspective, CGS appreciates the language in the discussion draft that seeks to gain a better understanding of the impact that these policy changes have had on graduate students. CGS also welcomes the addition of the calculation of a cohort rate for Graduate PLUS borrowers. This information will provide a better understanding of how these loans support their education goals.

CGS believes that support for graduate education and graduate students is critical if we are to grow our domestic scientific talent and build the educated and skilled workforce we need to be competitive in a global economy. Jobs that require a master's degree at entry-level, for example, are expected to grow at a rapid rate into the next decade. Demand for these master's degree holders is expected to grow even faster in certain occupational areas, including healthcare and social services. Graduate student research in science, medicine, health, education and the arts and humanities contributes directly to the groundbreaking discoveries, inventions and innovation which results in sustained economic growth and prosperity.

For this reason it is important that the federal government invest in graduate education and the students pursuing advanced degrees. The financial assistance that is available to graduate students through the Higher Education Act is an important component of that federal investment. CGS's comments and recommendations should be viewed within this context.

## **COMMENTS AND RECOMMENDATIONS**

### **Fifth Year Pell for Accelerated Master's Degree Programs**

There is already an exception to the undergraduate limitation of eligibility for Pell Grants for a fifth year. Pell-eligible students who accelerate their academic achievement and participate in a 5-year accelerated master's degree program are deemed in-eligible for Pell Grants once they start to take graduate level coursework. This loss of Pell eligibility could occur as early as the third year of study, in contrast to students not in the accelerated master's program who would continue to be Pell eligible. As such there is no incentive for low-income students to pursue accelerated programs.

**Recommendation:** Amend Section 401(c)(4) to include students who are enrolled in an accelerated master's degree program as follows:

- (4) Notwithstanding paragraph (1), the Secretary may allow, on a case-by-case basis, a student to receive a basic grant if the student—
  - (A) is carrying at least one-half the normal full-time work load for the course of study the student is pursuing, as determined by the institution of higher education; and
  - (B) is enrolled or accepted for enrollment in a postbaccalaureate program that does not lead to a graduate degree, and in courses required by a State in order for the student to receive a professional certification or licensing credential that is required for employment as a teacher in an elementary school or secondary school in that State, except that this paragraph shall not apply to a student who is enrolled in an institution of higher education that offers a baccalaureate degree in education; or

(C) is enrolled in an accelerated master's degree program which combines undergraduate and graduate level coursework.

### **Full Pell Grant Eligibility Utilization – MSI Innovation Fund**

Page 537 of the discussion draft, Part H – Minority Service Institutions Innovation Fund, lists accelerating progress towards graduation and increasing the number of students pursuing graduate work in the purpose section of the part.

**Recommendation:** Include under Section 795E, Use of Funds, the authority for Pell-eligible students who complete their undergraduate program of study and who have not exhausted their full 12 semesters of Pell eligibility, to use the remaining semesters of Pell to pursue master's degrees. This would lower the amount these students would need to borrow and it would be a way of encouraging low-income, underrepresented minority students, to continue their education toward a master's degree.

### **GAANN Program Enhancement – Title VII**

There is a concern that America is falling behind in its support for graduate education particularly in areas of national need while other countries are increasing their support. GAANN is a program targeted to graduate students. Several recent reports regarding graduate education reform have recommended increased federal support to enhance doctoral education through traineeships.

**Recommendation:** Include a pilot program under GAANN which incorporates principles of graduate traineeship programs to augment, enhance and reinvigorate the GAANN program, not to replace it. Funds would be provided on a competitive basis to GAANN awardees to support traineeships for five to 10 new doctoral students. Awardees would agree to implement an integrated, research-based doctoral education program that promotes collaborative efforts and professional skills development within and across departments, and across disciplines and institutional units.

Such traineeships would lead to a better understanding of the most effective strategies for supporting doctoral students across an array of federal programs in areas of national need. The GAANN pilot program would include rigorous time to degree requirements, professional development, and career planning to prepare doctoral students for a broad spectrum of careers in business, government, non-profits and academia. Awardees would have to also demonstrate evidence of broad institutional support.

The goal of this recommendation is to increase the proportion of Americans with graduate degrees in areas of national need so that the U.S. has the highly skilled talent needed to meet the demands of a knowledge economy and maintain U.S. innovation, competitiveness and national security.

### **Reporting Requirements**

CGS agrees that greater availability of consumer information for prospective and current students is important. However, CGS believes that there needs to be a clear distinction between undergraduate students and master's and doctoral degree students with

respect to the requirements for making this information available. Several proposed requirements in the discussion draft do not provide relevant consumer information for master's and doctoral students.

**Recommendation:** Clarify or modify language in the following sections:

**Net price calculators (Title I, SEC. 106 of the bill).** As it is written, the section exclusively addresses the information needs of undergraduate students. Clarify the intended audience of the proposed net price calculators as follows:

Page 29, Lines 9 - 11, should read, "Act, an institution of higher education shall develop a net price calculator for undergraduate students that, at a minimum, meets the following requirements:"

**College scorecard (Title I, SEC. 109 of the bill) definition of student.** The consumer information sought in this section may be helpful to prospective undergraduate students. However, for prospective graduate and professional students, institutional-level aggregated data is not relevant because graduate and professional degree programs are highly decentralized. Change the language as follows:

Page 42, Line 17, insert "an undergraduate" after "earned"

**Institutional financial aid award letter (Title IV, SEC. 483 of the bill).** CGS is committed to providing students who enroll in master's and doctoral degree programs relevant financial information. However, the proposed requirements for the standard letter are more appropriate for undergraduate students. Master's and doctoral degree students typically receive financial aid offers (i.e. grants, scholarships, tuition waivers, fellowships, and assistantships) as a part of their acceptance letters. Modify the language regarding the contents for financial aid award letters as follows:

Page 300, Line 1, insert "for undergraduate students" after "financial aid award letters"

**Determination of Loan Cohort (Title IV, SEC. 485 of the bill).** The proposed SEC.483D(b)(2) (Page 316, Line 9, Lines 9-18) does not disaggregate undergraduate and graduate and professional students when determining loan cohorts for the purpose of calculating cohort loan repayment rates. Institutional cohort loan repayment rates that are not disaggregated by degree level offer little insight for prospective master's and doctoral students. Clarify the language as follows:

Page 316, line 15, insert, "disaggregated by degree level" after "institutions".

## **Consumer Testing**

Various sections in the discussion draft reference consumer testing for online tools and standard forms. In Title IV, SEC. 484 of the draft, the proposed SEC. 483C(b) (Page 311, Line 24 – Page 312, Line 19) lists various stakeholders to be included in the proposed consumer testing process by the Secretary. Several products under the proposed consumer testing requirements, such as the standard delinquency notification letter, online loan counseling tools, and online consent forms will also be used for master’s and doctoral students.

**Recommendation:** Insert on page 312 of the discussion draft, line 7, “graduate and professional students” after “adult students;”

### **Exemption from the “Recruiting and Marketing Activity” definition**

In Title I, SEC. 102 of the discussion draft, the proposed Section 103(18)(B) lists activities that are exempt from the definition of “Recruiting and Marketing Activity” stipulated in (18)(A).

**Recommendation:** Clarify that an activity required as a condition of receipt of funds by an institution under “another applicable Federal laws (Page 16, Lines 14 and 15)” include programs established and funded by the authority of the National Science Foundation, National Institutes of Health and other federal agencies.

### **In-State Tuition Rates for Certain Individuals**

In Title I, SEC110 of the bill, the proposed Section 135(a)(1) states that the spouse or dependent child of a member of the Armed Forces are entitle to in-state tuition rates when they meet requirements set forth in this paragraph (Page 53, Lines 1-10).

**Recommendation:** Clarify that this provision does not apply those students who pursue master’s or doctoral degrees, consistent with the definition of “independent students” for the purpose of determining the federal student financial aid eligibility in 20U.S.C.1087vv(d)(1)(E) and (F). These provisions define a “graduate or professional student” or “a married individual” as an “independent” student.